

CLASSIFICATION
CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

REPORT NO
CD NO.

COUNTRY

East Germany

DATE, DISTR 9 March 1954

SUBJECT

Possible Reduction of 1954 Investments for
the Ministry of Mining and Smelting

NO. OF PAGES 2

PLACE
ACQUIRED

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REPORT NO

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These reductions would seriously affect the East German economy. [redacted] a production price far below the world market price would have been achieved for zinc by a further enlargement of the Freiberg Fine Zinc Works as processing ore from the extremely large quantities of trainings had proved most economical. [redacted] by closing the St. Egidien Nickel Works, the development of the nickel industry would be set back by at least one year. [redacted] the first flame tube furnace would probably have started to operate in the third quarter of 1954 and would have processed enough nickel stone with a nickel content of 17 percent to make it possible, also in 1954, to process, in addition, 36 tons of nickel from the ore mined in Halsbruecke and Aue. [redacted] these rather small losses of production could have been comparatively easily covered by imports, especially as an import of 1,800 tons of nickel from Pechenga in 1954 had been planned, and [redacted] the situation would become critical in 1955 because the two additional flame tube furnaces (for which the auxiliary equipment had already been installed with the equipment for the first furnace) would have increased the output of nickel to 500 tons in 1954 and, eventually, to 1,500 tons in 1955 and 1957.

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4. State Secretary Paul Strassenberger, Deputy Chairman at the State Planning Commission, agreed to the 40 million eastmark reduction, while Minister Fritz Selbmann, although he knew about the recommended reduction, refused to change his investment plan and stated that he would submit his original plan for 290 million eastmarks to the Cabinet Council on 1 November 1953.

25X1 [redacted] the Cabinet Council would have to decide which plan should be accepted, or whether the reduction of 40 million eastmarks should be made with another branch of industry.

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1. [redacted] Comment: Ministerium fuer Huettenwesen und Erzbergbau.

2. [redacted]



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